

In these instances, VAT will apply on the amount of the increase in value of the goods, as a result of the repair, renovation or improvement, provided that the re-imported goods have not:

- undergone any physical change in form or character; and
- change ownership during this process.

Is temporary importation exempt from VAT?

Temporary importation is exempt under VAT provided the Revenue Commissioner is satisfied that the goods will be re-exported within a specific time, usually a maximum of 12 months from the date of importation.

Is VAT paid on import claimable as input tax credit and is it refundable?

VAT paid on importation is claimable as input tax credit and refundable only to VAT registered businesses. The VAT paid on Importation (input tax) is deductible from the VAT output tax (VAT collected) from sales.

When the input tax exceeds the output tax the VAT credit can be refunded on monthly basis for exporters, or after being carried forward for 3 consecutive months for the others.

Seychelles Revenue Commission Information Brochure Value Added Tax (VAT) on Importation

For more information

This brochure is not intended as an exhaustive explanation of the law. If you require detailed information about your tax obligations you should visit the SRC or write to us.

Visit:

Seychelles Revenue Commission
3rd Floor
Maison Collet
Victoria, Mahé

Write to:

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Victoria, Mahé
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Value Added Tax (VAT) on Importation



An explanation about VAT On
Importation

SEYCHELLES

How is VAT applied on Importation?

As a general rule, importing goods into Seychelles is a taxable transaction under VAT, regardless of the status of the importer and the nature of the transaction (whether it is a commercial or non commercial importation and whether goods are imported by a VAT registered business or not).

A VAT rate of 15% must be paid at the point of entry at the time of import on all imported goods. It applies to all methods of importation including by air, sea and post.

However, there are some exceptions as specified under Schedule 1 (parts 1 and 2) of the Value Added Tax Act 2010, which exempts certain goods, class and category of persons from VAT.

Which goods are exempt from VAT on Importation ?

Exempt imports are goods which are imported into Seychelles but on which VAT is not chargeable. Some examples of exempt imports are:

- Some basic food items, such as rice, milk
- Travellers' exemption (duty free) allowance
- Consumable goods for stores to use outside Seychelles.

NB: Goods exempt from VAT may be liable to Customs duties or excise tax where applicable.

Goods that are exempted at import are also exempted at the point of sale.

What class and category of persons are exempt from VAT on Importation?

The following classes and categories of persons are exempt from VAT on their importation:

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- Private Educational institutions on their educational equipment excluding motor vehicles, construction materials and reference books not for resale as authorized by the Ministry of education:
- Registered Religious organisation and churches and presbyteries
- Seychelles People Defence Forces, National Arts Council, National Sports Council, Central Bank, Seychelles Petroleum Company and Seychelles Pension Fund
- Diplomatic, Consular, International organisation and other foreign dignitaries as recognised by the Ministry of Foreign Affairs
- Foreign governments and international organisation on materials and equipment under an approved technical assistance and programmes
- President and Ex-presidents
- Farmers and fishermen (for specific items listed by the Ministry responsible for agriculture and fisheries)

What meant by the 'time of Import' when calculating VAT?

An import of goods occurs:

- on the date when the goods enter Seychelles; or
- on the date when the goods are released from the warehouse for home consumption .

What is the value of import for VAT?

VAT on importation assessed by Customs on each taxable import is payable at the point of entry at Customs. VAT on imported goods is applied on the value of the import which is the **CIF** (*Cost, Insurance & Freight*)

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value plus import duty and excise (*where applicable*).

NB: Levy is not included in the calculation of VAT at importation.

Are there circumstances whereby VAT is not paid at the point of entry?

There are 3 specific circumstances whereby VAT is not paid at the point of entry:

- In cases where the deferred payment facility applies (*refer to deferred payment leaflet*);
- When goods entering a licenced Bonded Warehouse; and
- Goods that are in transit and transhipment.

How is VAT applied to warehouse goods?

Goods entering a bonded warehouse are not subject to VAT. The VAT is due when the same goods leave the bonded warehouse. This event is considered as the time of importation because the goods are going to be consumed.

- Bonded goods released for home use (domestic market) -are liable to VAT at 15% (if taxable) together with other applicable taxes (Import duty, excise, levy)
- Bonded goods released for exportation are subject to a VAT at 0%, as exports are zero-rated.

How is VAT applied on re-imported goods?

There are instances whereby goods imported have to be exported due to repair, renovation or improvement and then re-imported into Seychelles.